

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

SUPPLEMENTARY EXAMINATION

TRIMESTER 1, 2015/2016

BMK 1014 – PRINCIPLES OF MARKETING
(All sections / Groups)

17 NOV 2015
9.00 AM – 11.00 AM
(2 HOURS)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 7 printed pages (including the cover page) with two sections (A and B).
 2. Section A (40 marks): Answer all questions.
 3. Section B (60 marks): Answer any THREE out of FOUR questions.
 4. Please write all your answers in the Answer Booklet provided.
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SECTION A: 40 marks (each question carries 2 marks).
Answer all questions.

- 1) Which of the following is most likely to be an example of a convenience product?
- A) candy
 - B) furniture
 - C) life insurance
 - D) car
 - E) refrigerator
- 2) Which of the following statements is true of unsought products?
- A) Unsought products are consumer products and services that customers usually buy frequently, immediately, and with minimal comparison and buying effort.
 - B) A life insurance policy is an example of an unsought product.
 - C) Unsought products have strong brand identification for which a significant group of buyers is willing to make a special purchase effort.
 - D) As compared to convenience products, unsought products are purchased more frequently.
 - E) Unsought products are those products purchased for further processing or for use in conducting a business.
- 3) The use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of their community is called _____ marketing.
- A) advocacy
 - B) associative
 - C) organizational
 - D) social
 - E) integrative
- 4) New-product development starts with the step of _____.
- A) idea generation
 - B) idea screening
 - C) concept development
 - D) concept testing
 - E) test marketing

Continued...

- 5) Which of the following represents an internal source of new-product ideas?
- A) customers
 - B) distributors
 - C) suppliers
 - D) employees
 - E) competitors
- 6) A review of the sales, costs, and profit projections for a new product to find out whether they satisfy the company's objectives is called a _____.
- A) vendor analysis
 - B) portfolio analysis
 - C) business analysis
 - D) SWOT analysis
 - E) concept analysis
- 7) Once the product or service passes the business analysis test, it moves into the _____ stage.
- A) concept development
 - B) product development
 - C) market testing
 - D) strategy development
 - E) product audit
- 8) Under what circumstances might it be wise for a company to do little or no test marketing?
- A) when a new product requires a major investment
 - B) when management is unsure of the projected demand for the product
 - C) when management is implementing a mass marketing program
 - D) when the product has no substitutes and is new in its category
 - E) when the costs of developing and introducing the product are low
- 9) Price is the only element in the marketing mix that produces _____.
- A) revenue
 - B) variable costs
 - C) expenses
 - D) fixed costs
 - E) demand

Continued...

10) When there is price competition, many companies adopt _____ rather than cutting prices to match competitors.

- A) high-low pricing strategies
- B) value-added pricing strategies
- C) target return pricing strategies
- D) EDLP strategies
- E) image pricing strategies

11) Under _____, the market consists of many buyers and sellers who trade over a range of prices rather than a single market price.

- A) pure competition
- B) monopolistic competition
- C) oligopolistic competition
- D) a pure monopoly
- E) pure monopsony

12) The company designs what it considers to be a good product, totals the expenses of making the product, and sets a price that adds a standard markup to the cost of the product. This approach to pricing is called _____ pricing.

- A) value-based
- B) fixed cost
- C) cost-plus
- D) cost-based
- E) skimming

13) Swatch surveyed the market and identified an unserved segment of watch buyers. Using these results, they created a watch at a price consumers were willing to pay. The unorthodox order of this marketing mix decision is an example of _____.

- A) competition-based pricing
- B) cost-plus pricing
- C) target costing
- D) value-based pricing
- E) penetration pricing

14) If demand changes greatly with a small change in price, we say the demand is _____.

- A) inelastic
- B) variable
- C) elastic
- D) value-based
- E) fixed

Continued...

15) Orion Steels is the chief provider of metals to the Accline Car Company. The Accline Car Company has two models of vehicles—one for commercial and ordinary consumers, and another providing public transport under a contract with the government. The Accline Car Company has designated dealers to sell their commercial cars to consumers, while public transport vehicles are sold directly to the government. In such a distribution channel, which of the following would be considered a vertical conflict?

- A) conflicts between Orion Steels and the Accline Car Company
- B) conflicts between Orion Steels and Accline dealers
- C) conflicts between two Accline consumer car dealers
- D) conflicts between sellers of the consumer cars and sellers of the public transport vehicles
- E) conflicts between the Accline Car Company and its dealers

16) Pastaliano is a restaurant that exclusively sells Italian food, headquartered in Illinois. The restaurant owners expressed an interest in opening a Pastaliano outlet in the U.K. They were contacted by 2Clover Tradings, situated in the U.K., who were interested in buying the Pastaliano trademarked recipes and opening an outlet for them. Pastaliano gave the rights to its recipes to 2Clover Tradings, who then opened an outlet in the U.K. under the Pastaliano brand name. Which of the following kinds of marketing systems does Pastaliano have with 2Clover Tradings?

- A) horizontal marketing system
- B) direct marketing system
- C) administered vertical marketing system
- D) contractual vertical marketing system
- E) corporate vertical marketing system

17) Which of the following is true of the intensive distribution technique in marketing?

- A) It gives unshared rights to select dealers.
- B) It makes products available where and when consumers want them.
- C) It uses the least amount of intermediaries in selling products.
- D) It provides the best dealer selling support.
- E) It requires controlled distribution of products in strategic channels.

18) _____ distribution gives producers good market coverage with more control and less cost than does intensive distribution.

- A) Exclusive
- B) Selective
- C) Extensive
- D) Comprehensive
- E) Inclusive

Continued...

19) Which of the following conditions would increase the chances of a retailer opting to be categorized as a self-service retailer?

- A) when the product assortment comprises shopping goods about which consumers need information
- B) when the customers are willing to conduct the locate-compare-select autonomously to save money
- C) when the store is a first-class store in its category selling the finest goods
- D) when the customers are looking for a narrow product line with a deep assortment
- E) when the store has been converted into a designer shop from a departmental store

20) Specialty stores are characterized by the _____.

- A) sale of convenience and staple items
- B) narrow product lines with deep assortments
- C) wide range of products and categories
- D) lowest prices for a wide range of goods
- E) practice of everyday low pricing

Continued...

SECTION B: 60 marks**Answer THREE (3) out of FOUR (4) questions.****Question 1**

- a) Define commercialisation.
 - b) Explain the two important issues on which the company must decide during this stage.
- (20 marks)

Question 2

What are the different criteria that a firm should look into before choosing channel alternatives?

(20 marks)

Question 3

Compare and contrast specialty stores and convenience stores.

(20 marks)

Question 4

- a) What is sales promotion?
 - b) What are the various factors that have contributed to the rapid growth of sales promotion in the consumer markets?
- (20 marks)

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